

**MINUTES OF SPECIAL MEETING
ILLINOIS GAMING BOARD
April 14, 2005
CHICAGO, ILLINOIS**

NOTE: ITEMS IN **BOLDFACE PRINT** REFLECT OFFICIAL BOARD ACTIONS

The April 13, 2005 Special Meeting of the Illinois Gaming Board ("Board") was recessed to Thursday, April 14, 2005 in Room N-502 on the 5th floor of the Michael A. Bilandic Building, Chicago, Illinois, pursuant to the Illinois Open Meetings Act, 5 ILCS 120/1 et seq.

The following Board Members were present: Chairman Aaron Jaffe and Members Gary Peterlin, Eugene Winkler and Charles Gardner. Member William Dugan was present telephonically.

Chairman Jaffe reconvened the April 13, 2005 Special Meeting at 9:42 A.M. in the 3rd floor Board Conference Room.

Member Winkler moved that **the Board reconvene into Open session**. Member Peterlin seconded the motion. The Board approved the motion unanimously by voice vote.

The Board convened its Open Session at 1:05 P.M.

Chairman's Report

Chairman Jaffe discussed two orders that he would be signing. Chairman Jaffe stated that one order would be to resume the revocation hearing for Emerald Casino, Inc., and the second order would be to hold off on doing any more investigations surrounding the 10th license until the revocation hearing is complete.

Chairman Jaffe announced that the Administrative Law Judge for the revocation hearing will not come from the Department of Revenue. Chairman Jaffe stated that he feels that the ALJ should be a member of the public. Chairman Jaffe stated that he spoke to Judge Abner Mikva about taking the case and he has agreed to do so. Chairman Jaffe stated that there is no question about Judge Mikva's integrity or his ability to do the job.

Board Members' Comments

Member Peterlin commented on potential Bills regarding the expansion of gaming positions. Member Peterlin stated that he hopes that the revenues generated from the expansion will benefit the education system. Member Peterlin stated that if there is going to be an increase in revenue, hopefully it would be shared with other parts of the State of Illinois.

Member Peterlin discussed the issue of patrons who owe child support and ways that the casinos could put a lien on the winnings of those patrons.

Administrator's Report

Interim Administrator Tamayo briefed the public on agenda topics that were discussed in Closed session.

Interim Administrator Tamayo announced that on April 25, 2005 members of the Board, and Staff would be conducting a tour of the Par-A-Dice casino for various State legislators.

Interim Administrator Tamayo stated that Staff has received permission from the Department of Revenue to hire three riverboat agents.

Interim Administrator Tamayo stated that eight additional Illinois State Police troopers will start mid May.

Interim Administrator Tamayo stated that the Board has three goals, which are to resolve the 10th license, become independent, and to obtain additional staff.

Owner Licensee Items

Harrah's Metropolis – Construction and Hotel Project – Mike Crider, Vice President and General Manager, was present on behalf of Harrah's Metropolis to request initial consideration for license renewal. Mr. Crider provided the Board with a presentation outlining Harrah's Code of commitment; capital investments; operating ethics; Harrah's hotel project; Harrah's commitment to its guests and its employees; Harrah's commitment to diversity; Harrah's commitment to the community of Metropolis; and its contributions and sponsorships. Mr. Crider also talked about the revenues and taxes generated from Harrah's Metropolis.

Member Winkler stated that according to the statistics that Staff provided to the Board, minorities hold a very minor percentage in professional, managerial, and operative parts of the casino operation. Member Winkler stated that most of the minorities are service workers. Member Winkler inquired about the opportunities for promotions for the minorities to move in to the professional and operative positions.

Mr. Crider stated that Harrah's commitment to the reimbursement program allows minority employees to achieve their degree, which in turn would allow them to obtain operative positions. Mr. Crider stated that Harrah's recently promoted two African Americans to managerial positions. Mr. Crider stated that two other minority employees would soon fill the positions of Director of Hotel Operations and Director of Casino Operations. Mr. Crider stated that Harrah's has also incorporated a mentoring program that focuses on some of the minority managers who have the most potential in assisting other minority employees in the process of applying for some of the new management positions that are generated.

Member Winkler inquired what Harrah's plans are for future hiring of minorities for managerial and operative positions. Mr. Crider stated that the mentoring and training programs that Harrah's has would continue to identify potential candidates and assist them in the process of acquiring the skills necessary to "move up the ladder" into supervisors and managers positions.

Member Winkler inquired about the number of underage patrons who continue to get into the casino. Mr. Crider stated that Harrah's has recently added the equipment necessary to validate Id's and provide indicators when someone who is underage tries to enter the casino.

Member Peterlin inquired if announcements of promotions are shared from facility to facility. Member Crider stated that all promotion opportunities are posted on line, as well as on a bulletin board.

Member Peterlin inquired if an educational opportunity set up by Metropolis community college system would be helpful for people to obtain better positions or promotions. Mr. Crider stated that he feels that there are some specific areas where the opportunity would be beneficial. Mr. Crider stated that any opportunity in the college ranks that helps employees understand the operation of a casino could be beneficial.

Member Winkler stated that he has some concern regarding Harrah's being a national operator, having only spent 39% of its revenues with Illinois vendors. Member Winkler inquired how could more money be spent on Illinois vendors. Mr. Crider stated that he would investigate the matter and provide the Board with more information at the next presentation.

As it relates to using Illinois vendors, Member Gardner asked what Harrah's foresees with regards to the construction of its hotel. Mr. Crider stated that Harrah's first commitment with regards to the construction of the hotel is to ensure that it is built with union labor, the second commitment is to try to utilize as much local labor as possible.

Member Peterlin asked if additional gaming positions would be made available to Harrah's how would Harrah's utilize them. Mr. Crider stated that initially, depending on the ability to place some of the gaming positions on Harrah's adjacent barge, Harrah's feels that they could use up to about 100 additional positions. Mr. Crider stated that in the long run, Harrah's would look at the opportunity to convert from the riverboat operation that it currently operates in, to a barge level that would allow Harrah's to expand the number of gaming positions and improve the presentation for the casino so that it is all one level.

Member Gardner inquired if there were any shareholders of Harrah's Entertainment who own more than 5%. Mr. Crider stated that to his knowledge there are not individual or group shareholders that control more than 5%. Mr. Crider stated that he would investigate the matter and provide the Board with more information during his next presentation.

Mandalay Bay – Proposed Sale to MGM Mirage - Donna More, Attorney, and Evette Landau, Vice President, General Counsel and Secretary of Mandalay Resort Group were present on behalf of Mandalay Resort Group to request initial consideration for its proposed sale to MGM Mirage. Ms. Landau stated that Mandalay Resort Group is the ultimate parent of Nevada Landing Partnership, which is a 50% owner of Elgin Riverboat Resort, which does business as Grand Victoria Casino. Ms. Landau stated that she is seeking initial consideration of Mandalay's request to transfer 10% of Nevada Landing Partnership to MGM Mirage. Ms. Landau stated that the request is part of an overall merger transaction between Mandalay Resort Group and MGM Mirage. Ms. Landau provided the Board with background history of the transaction between Mandalay Resort Group and MGM Mirage.

MGM – Proposed Acquisition of Mandalay Bay – John Redmond, President and Chief Executive Officer of MGM Grand Resorts, and Brian Wright, Assistant General Counsel and Senior Vice President were present on behalf MGM to request initial consideration for the acquisition of Mandalay Bay. Mr. Redmond provided the Board with background history of MGM Mirage.

Caesar Froelich, Counsel for MGM, was present to discuss the escrow arrangement of the proposed acquisition.

Grand Victoria Casino – Trudy Malkey, External Staff Auditor – Request for Waiver of One Year Prohibition on Post IGB Affiliation or Employment and Request for Approval to Become Employed as Assistant Controller of the Grand Victoria Casino – Donna More was present on behalf of Grand Victoria Casino and Trudy Malkey, seeking a waiver of the Board's Code of Conduct to hire Ms. Malkey. Ms. More stated that Ms. Malkey works for an accounting firm that was formerly the outside compliance auditor for Grand Victoria. Ms. More stated that the accounting firm ceased doing audits in December of 2004. Ms. More stated that the Ms. Malkey did work on portions of the Grand Victoria compliance audit when she was at the audit firm. Ms. More stated that Ms. Malkey is no longer doing the compliance audits for the casino.

Alton Belle Casino – Richard M. Reece, Director of Facility Operations – Level One – James Butler, General Counsel, and Richard M. Reece, were present on behalf of Mr. Reece to request approval as a Level One.

Based on a review of the staff's investigation and recommendation, Member Peterlin moved that **the Board approve Richard M. Reece as a Level 1 Occupational Licensee of Alton Gaming Company.** Member Winkler seconded the motion. The Board approved the motion unanimously by voice vote.

Par-A-Dice Gaming Corporation – Nicole Lea Rockey, Internal Auditor – Level One – Donna More was present on behalf of Nicole Lea Rockey to request approval as a Level One.

Based on a review of the staff's investigation and recommendation, Member Winkler moved that **the Board approve Nicole Lea Rockey as a Level 1 Occupational Licensee of Par-A-Dice Gaming Corporation.** Member Gardner seconded the motion. The Board approved the motion unanimously by voice vote.

Par-A-Dice Casino – Hector Humberto Mon, Senior Vice President, Operations -Key Person– Donna More and Hector Humberto Mon were present on behalf of Mr. Mon to request approval as a Key Person.

Based on a review of the staff's investigation and recommendation, Member Peterlin moved that **the Board approve Hector Humberto Mon as a Key Person of Par-A-Dice Gaming Corporation.** Member Gardner seconded the motion. The Board approved the motion unanimously by voice vote.

Supplier Licensee Items

Aristocrat Technologies, Inc. – Michael Gavin Issacs, President – Key Person – Donna More, was present on behalf of Michael Gavin Issacs to request approval as a Key Person.

Based on a review of the staff's investigation and recommendation, Member Peterlin moved that **the Board approve Michael Gavin Isaacs as a Key Person of Aristocrat Technologies, Inc.** Member Winkler seconded the motion. The Board approved the motion unanimously by voice vote.

Occupational Licensees

Based on staff's investigation and recommendation, Member Gardner moved that **the Board direct the Interim Administrator to issue Notices of Denial to the following four applicants for Level 2 and 3 licenses, each of whom previously received notice that staff intended to recommend denial and either did not respond or provide additional information to rebut the recommendation:**

1. Henry Clowers;
2. Gregory Angeles;
3. Mark Martin; and
4. Greg McKeon.

Member Winkler seconded the motion. The Board approved the motion unanimously by voice vote.

At 2:30 P.M., Member Gardner moved that **pursuant to Section 2 (c), paragraphs (1), (11), and (14) of the Open Meetings Act, the Board retire to Closed Session to discuss the following subject matters:**

- 1. Pending litigation and matters involving probable litigation;**
- 2. Investigations concerning applicants and licensees; and**
- 3. Personnel matters.**

Member Winkler seconded the motion. The Board approved the motion unanimously by voice vote.

The Board adjourned Closed session at 2:51 P.M.

Respectfully submitted,
Monica Thomas

Secretary to the Board